GOVERNMENT OF INDIA
SKILL DEVELOPMENT AND ENTREPRENEURSHIP
LOK SABHA

UNSTARRED QUESTION NO:3985
ANSWERED ON:23.12.2015
Utilisation of Funds
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Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

(a) whether any institutional mechanisms are proposed to ensure that funds released to State Governments under the Centrally Sponsored Schemes are not diverted or underutilised;

(b) if so, the details thereof; and

(c) if not, the steps taken by the Government in this regard?

Answer

(a) to (c) The allocation/releases of funds under the Centrally Sponsored Schemes to the State Governments are made by the Administrative Ministries/Departments concerned as per the scheme guidelines and also on the basis of timely submission of utilization certificates and mobilization of contribution of the State Governments. There exists a system for verification of physical progress matching the utilization of funds. Grantee body is required to furnish a Report containing both the physical and financial progress against each of the approved activity and these are analysed for correlation and feedback sent to them for appropriate action, wherever required. Steps taken by Ministries/Departments to maintain a financial discipline include the following:

(i) The implementation of Schemes is reviewed periodically by the Ministry through various mechanisms. The deficiencies/shortcomings noticed during the reviews are immediately brought to the notice of the grantee body for remedial action.

(ii) Periodic statutory Audit and concurrent audit is undertaken.

(iii) Monitoring of flow of funds through a web portal of Central Plan Scheme Monitoring System (CPSMS) which enables the Ministry to track and monitor flow of funds and its utilisation.

(iv) In order to build financial management capacities in States, the following other initiatives have been taken by several Ministries/Departments:

a) Model Accounting Handbooks for sub-district level;
b) Detailed operational guidelines on Financial Management;